
Minutes

Board of Natural Resources

May 2, 2006
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

Doug Sutherland, Commissioner of Public Lands

Bruce Bare, Dean, University of Washington, College of Forest Resources

Bob Nichols for Governor Christine Gregoire

Daniel J. Bernardo, Dean, Washington State University, College of Agricultural, Human, and Natural Resource Sciences

Terry Bergeson, Superintendent of Public Instruction

Ted Anderson, Commissioner, Skagit County

CALL TO ORDER

Chair Sutherland called the meeting to order at 9:10 a.m. on May 2, 2006, in Room 172 of the Natural Resources Building.

APPROVAL OF MINUTES

The March 21, Special Meeting, April 4, and May 2, regular meeting minutes will be brought to the June 6 meeting for approval.

PUBLIC COMMENTS FOR AGENDA ACTION ITEMS

None.

LAND TRANSACTIONS

Lake Cushman Intergrant Exchange #86-077811 (Handout 1)

Mr. Challstedt came forward to present the Lake Cushman Intergrant Exchange. He explained that the property is East of Lake Cushman. Mr. Challstedt stated that there are two parcels adjacent to Tacoma Public Utility ownership, which encompasses Lake Cushman and surrounding lands.

Property Characteristics:

- Acres: 1,040
- Encumbrances: Trail, road, and overflow
- Timber volume: 20,175 mbf
- Zoned: Resource Land

Timber value is \$5,445,000

Land value is \$328,000

Total value is \$5,773,000

Conditions of transfer include:

- Minerals to be reserved by respective trusts

- Legislative deed restriction that requires that the property be held for open space or recreation for a minimum of 30 years.

Mr. Challstedt stated that there had been a public hearing on the exchange in Hoodspport but that no one attended or sent in testimony or written comments.

He listed the benefits of the exchange saying that the Charitable Educational Penal & Reformatory Institution (CEP&RI) trust would receive property of equal value, be better positioned for timber income and greater appreciation, and the Common School Trust would be positioned for transfer.

He continued with the benefits of the transfer stating that the timber value would benefit school construction and the land value would be reinvested in productive land. The land and timber would be managed for public benefit.

MOTION: Ms. Bergeson moved to approve Resolution #1197.

SECOND: Mr. Bare seconded.

ACTION: Motion passed unanimously.

Lake Cushman TLT #02-077757 (Handout 2)

MOTION: Ms. Bergeson moved to approve Resolution #1198.

SECOND: Mr. Bare seconded.

ACTION: Motion passed unanimously.

TIMBER SALES

Proposed Timber Sales for June 2006 (Handout 3)

Jon Tweedale came forward to present the timber sales. He gave a brief market update stating that the strength in the log market is extending. There is still a strong housing market in the U.S. and Canada even though interest rates have risen. Forestlands across the U.S. have been put up for sale for real estate.

Mr. Tweedale talked about the governor put on Canadian log exports stating that he didn't think it would impact the U.S. market due to the structure of the agreement.

Mr. Anderson asked if there were any restrictions on old growth cedar.

Mr. Tweedale said that the tariffs have been on lumber and logs.

April 2006 Sales Results:

15 sales offered & 13 sold; 42.9 mmbf offered & 35.9 mmbf sold; \$17.3 million minimum bid offered & \$14.1 million sold; \$357/mbf offered & \$393/mbf sold; average # of bidders = 3.3; 30% above minimum bid.

Proposed June 2006 Board Sales:

22 sales at 87.8 mmbf with \$25.4 million minimum bid and an average of \$287/mbf.

June 2006 Board Sales:

Mr. Tweedale recommended all 22 sales at 87,773 mbf with a minimum bid of \$25,388,942 be approved for auction for the month of June 2006.

MOTION: Ms. Bergeson moved to approve the June 2006 Timber Sales.

SECOND: Mr. Anderson seconded.

ACTION: Motion passed unanimously.

CHAIR REPORTS

Approval on Fees for Mooring Buoy Licenses (Action Item)

Ms. McNair came forward to seek approval on Resolution #1199, related to Mooring Buoy Licenses, which was reviewed at the April 4, 2006 Board meeting.

MOTION: Mr. Anderson approved Resolution #1199.

SECOND: Ms. Bergeson seconded.

ACTION: Motion passed unanimously.

Policy for Sustainable Forests

Mr. Sprague came forward to discuss the Policy for Sustainable Forests. He began by talking about some of the changes made from the previous meeting (see attachment).

Gretchen Nicholas came forward to discuss implementation of the PSF.

Implementation – Current Status

- This spring, meetings were conducted with all regions to review the PSF.
- Meetings have been set this fall with all regions for further review and implementation of the PSF
- A structure has been set up for implementation, that includes a steering group and implementation teams
- Several planning meetings have been held and a prioritized strategy developed for implementation
- For PSF policies which need immediate direction draft guidance has been developed

The PSF Implementation Process will include the following steps:

- Convene oversight group members
- Identify priority subject areas
- Convene individual implementation teams

Ms. Nicholas discussed the resources as listed below:

Training: This spring DNR has conducted eight training classes that reached 550 students. PSF and SFI will be integrated into these trainings.

Monitoring: HCP monitoring is conducted and reported every year. This includes activities of a number of divisions. PSF and SFI monitoring will be combined with these in the field.

Reporting: PSF reporting requirements will be combined with HCP and other reporting requirements into one comprehensive document. This will be the foundation for our annual report to the Board.

Ms. Nicholas stated that integration is the key and that the Department has the resources to implement this process would do so as quickly as possible.

PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

Bob Dick - American Forest Resource Council

Mr. Dick said there is a tendency to fragment land ownerships and it is occurring. He said he's not sure what that means for the future but future Boards may need to look at the policy question of how long timberland can be managed in an area that is changing use.

Mr. Anderson thanked Mr. Mackey for coming to the Western District Meeting for the Counties. He said Mr. Mackey did an excellent job of explaining the SHC settlement agreement to the Counties.

Chair Sutherland asked if there was anyone else present wishing to make comment before the Board? Seeing none, hearing none.

Meeting adjourned at 10:30 a.m.

Approved this ____ day of _____, 2005

Doug Sutherland, Commissioner of Public Lands

Bob Nichols for Governor Christine Gregoire

Bruce Bare, Dean, University of Washington

Daniel J. Bernardo, Dean, Washington State University

Terry Bergeson, Superintendent of Public Instruction

Ted Anderson, Commissioner, Skagit County

Attest:

Sasha Lange, Board Coordinator